

PROTOCOL

on the Procedure of Levying Indirect Taxes and the Mechanism of Control Over their Payment while Exporting and Importing Goods, Performing Works, Rendering Services

I. General provisions

1. This Protocol is developed in accordance with Articles 71 and 72 of the Treaty on Eurasian Economic Union and provides for the procedure of levying indirect taxes and the mechanism of control over their payment while exporting and importing goods, performing works, rendering services.

2. The terms used in this Protocol shall mean the following:

«auditing services» – services for conducting an audit of business accounting, tax and financial reporting;

«accounting services» – services for the registration, keeping, restoration of accounting, for the preparation and (or) the submission of tax, financial and accounting reporting;

«movable property» – things that do not relate to immovable property and the vehicles;

«design services» – services for designing artistic forms, appearance of products, building facades, interior space, an artistic design;

«import of goods» – import of goods by taxpayers (payers) to the territory of one member State from the territory of another member State;

«engineering services» – engineering and consulting services for the preparation of the production and sale of goods (works, services), preparation of construction and operation of industrial, infrastructure, agricultural and other objects, as well as pre- and

design services (preparation of technical and economic basis studies, design development, technical testing and analysis of their results);

«competent authorities» – ministries of finance and economy, tax and customs authorities of member States;

«consulting services» – services for providing explanations, recommendations and other forms of consultations, including the identification and (or) an assessment of problems and (or) capabilities of person on managerial, economic, financial (including tax and accounting) issues, as well as issues on planning, organizing and operating of business activity, human resource management;

«indirect taxes» – value added tax (hereinafter - VAT) and excise taxes (excise tax and excise duty);

«marketing services» – services related to research, analysis, planning and forecasting in the sphere of production and circulation of goods (works, services) in order to identify measures to create the necessary economic conditions of production and circulation of goods (works, services), including the description of goods (works, services), development of pricing strategy and strategy of advertisement;

«taxpayer (payer)» – taxpayer (payer) of taxes, fees and duties of member State (hereinafter - taxpayer);

«research and development works» – conducting research works subject to technical specification of the customer;

«immovable property» – land plots, subsoil plots, isolated bodies of water and all that is inseparable from land, i.e. objects, movement of which without disproportionate damage to their appointment is not possible, including forests, perennial plantings, buildings, constructions, pipelines, power lines, enterprises as property complexes and space objects;

«zero rate of VAT» – levying the VAT at a rate of zero percent with the right for refund (reimbursement) of the relevant VAT sums;

«development and technological work» – development of new products' model, design documentation for it or new technology;

«work» – an activity results of which are expressed in material form that can be sold in order to satisfy the needs of legal and (or) natural persons;

«advertising services» – services for the creation, distribution and display of information aimed for unspecified persons and designed to generate or maintain interest in legal and natural persons, goods, trademarks, works, services, by any means and in any form;

«goods» – any movable and immovable property, vehicles sold and intended for sale, all kinds of energy;

«vehicles» – air and sea vessels, inland navigation vessels, combined (river-sea) vessels, units of railway rolling stock; buses, vehicles, including trailers and semi-trailers; cargo containers, quarry lorries;

«service» – an activity results of which are expressed in non-material form that are sold and consumed in the process of this activity, as well as transfer, provision of patents, licenses, trademarks, copyrights and other rights;

«information processing services» – services for the collection and collation of information, classification of information files (data) and providing users the results of the information processing;

«export of goods» – export of goods sold by taxpayers from the territory of one member State to the territory of another member State;

«legal services» –services of legal nature, including advising and providing clarification, preparation and examination of documents, representation of clients in the courts.

II. Procedure on Application of Indirect Taxes upon Exportation of Goods

3. Upon exportation of goods from the territory of one member State to the territory of another member State by taxpayer of the member State from whose territory goods are exported, a zero rate of VAT and (or) the exemption from payment of excise taxes shall be applied provided in paragraph 4 of this Protocol are submitted to the tax authority .

Upon exportation of goods from the territory of one member State to the territory of another member State, the taxpayer has a right for a tax deductions (credit) in a manner, that is similar to those established in the legislation of the member State and applied for goods exported from the territory this member State outside of the EAEU.

Point of sale of goods shall be determined in accordance with the legislation of member States, if otherwise is not provided by this paragraph.

In case of sale of goods by the taxpayer of one member State to the taxpayer of another member State, when the shipment (transportation) of goods has began outside of the EAEU and finished in the territory of another member State, a territory of the member State, where the goods are placed under the customs procedure of release for domestic consumption shall be recognized as the point of sale of goods member State.

4. To confirm the validity of applying a zero rate VAT and (or) the exemption from payment of excise tax the taxpayer of the member State, from whose territory the goods were exported, along with the tax declaration shall submit the following documents (their copies) to the tax authorities:

1) agreements (contracts), concluded with a taxpayer of another member State or with taxpayer of state, which is not a Member of the EAEU (hereinafter - agreements (contracts)) under which the goods are exported, in case of a lease of goods or trade credit (trade loan, loan in the form of things) - leasing agreements (contracts), agreements (contracts) on trade credits (commercial loans, loan in the form of things), agreements (contracts) for the manufacturing of goods; agreements (contracts) for the processing of raw material supplied by the customer ;

2) bank statements confirming the real receipt of proceeds from the sale of exported goods to the account of the taxpayer-exporter, unless otherwise is provided by the legislation of the member State.

If the agreement (contract) provides cash payment, and this payment does not contradict the legislation of the member State, from whose territory the goods are exported, the taxpayer shall submit the bank statement (a copy of the statement) to the tax authority, confirming the payment of the amounts received by the taxpayer to his bank account, as

well as copies of cash receipt vouchers, confirming the real receipt of proceeds from the buyer of these goods, unless otherwise is provided by the legislation of the member State from the territory of which the goods are exported.

In case of export of goods under the leasing agreement (contract), providing the transition of property right in relation to goods to the lessee, the taxpayer shall submit to the tax authority the bank statement (copy of statement), confirming the real receipt of lease payment (in the part of refund of the original value of the goods (leased assets) to the account of taxpayer-exporter, unless otherwise is provided by the legislation of the member State.

In the case of foreign trade goods exchange (barter) operations, provision of trade credits (trade loans, the loan in the form of things) a taxpayer-exporter shall submit to the tax authority documents, confirming the import of goods (performing of works, rendering services) received (purchased) by him under these transactions.

Documents, listed in this subparagraph, shall not be submitted to the tax authority, if their submission is not provided by the legislation of member State in regard to goods exported from the territory of member State outside of the EAEU;

3) statement on import of goods and payment of indirect taxes made in accordance with a form, provided by separate international interagency agreement, marked by the tax authority of the member State, on whose territory the goods were imported, on payment of indirect taxes (exemption or in other manner of the tax liabilities execution) (hereinafter - application) (in the original hard copy or in copy at the discretion of tax authorities of member States) or list of applications (in the original hard copy or an electronic copy with electronic (electronic and digital) signature of taxpayer).

Taxpayer shall include in the list of applications reference details and details from the applications, information on which were submitted to tax authority in the form, provided by the separate international interagency agreement.

The form of list of application, the procedure of filling it and format shall be defined by the legal acts of tax authorities of member States or by other legal acts of member State.

In case of sale of goods, imported from the territory of one member State to the territory of another member State, and their placement under the customs procedure of free customs zone or free warehouse in the territory of this another member State, instead of application to the tax authorities of the first member State a copy of customs declaration certified by the customs authorities of other member State, in accordance with which such goods were placed under the customs procedure of free customs zone and free warehouses, shall be submitted,;

4) transportation (shipping) and (or) other documents provided by the legislation of member States, confirming the movement of goods from the territory of one member State to the territory of another member State. These documents shall not be submitted, if for the certain types of movement of goods, including the movement of goods without using vehicles, preparation of documents is not provided by the legislation of member State;

5) other documents confirming the validity of applying zero rate VAT (or) exemption from payment of excise taxes provided by the legislation of the member State, from whose territory the goods are exported.

The documents provided by this paragraph, except for application (list of applications), shall not be submitted to the tax authority, if the non-provision of documents confirming the validity of applying zero rate VAT and (or) the exemption from excise taxes, along with the tax declaration follows from the legislation of member State from whose territory the goods are exported.

The documents provided in this paragraph shall not be submitted with the relevant tax declaration on excise taxes, if they were submitted with the tax declaration on VAT, unless otherwise is provided by the legislation of member State.

Documents, provided by subparagraphs 1, 2, 4, 5 and the forth paragraph of subparagraph 3 of this paragraph, could be submitted in electronic form in the order stipulated by the legal acts of tax authorities of member States or other legal acts of member States. The format of these documents shall be defined by the tax authorities of member States or by the other legal acts of member States.

5. The documents provided in paragraph 4 of this Protocol shall be submitted to the tax authority within 180 calendar days from the date of shipment (transfer) of goods.

If these documents are not submitted within the prescribed period the sums of indirect taxes shall be paid to the budget for the tax (reporting) period, which covers the date of shipment of goods, or other tax (reporting) period established by the legislation of member State, with the right of deduction (credit) of the respective sums of VAT in accordance with the legislation of the member State from the territory of which the goods are exported.

In order to calculate VAT on the sale of goods the date of shipment shall be the date of the first primary accounting (calculating) document issued for the buyer of goods (the first carrier), or the date of issue of another binding document provided by the legislation of member State for the taxpayer of VAT.

In order to calculate excise taxes on excisable goods produced from own raw materials supplied by the customer, the date of shipment of goods shall be the date of the first time formation of the primary accounting (calculating) document, issued for the buyer (receiver) of goods; on excisable goods produced from provided raw materials supplied by the customer the date of shipment shall be the date of signing of the statement of acceptance of excisable goods, unless otherwise is provided by the legislation of member State, in the territory of which the excisable goods are produced.

In the case of non-payment, partial payment of indirect taxes, the payment of such taxes with the violation of the time period, established by this paragraph, the tax authority shall levy indirect taxes and penalties in a manner and amount, provided by the legislation of member State, from whose territory the goods are exported, as well as apply measures for fulfillment of obligations on payment of indirect taxes, penalties and liabilities, established by the legislation of this member State.

In case the taxpayer has provided documents prescribed in paragraph 4 of this Protocol once the period specified in this paragraph expired, the paid sums of indirect taxes shall be subject to deduction (credit), return in accordance with the legislation of the member

State from the territory of which the goods were exported. The amounts of fines, penalties, paid for delay in payment of indirect taxes, shall not be refundable.

6. The volume of goods, excise tax rates that are in force at the date of shipment of excisable goods exported to the member State, as well as the amount of excise taxes, shall be recorded in the appropriate tax declaration on excise taxes.

7. Tax authority shall verify the validity of applying zero rate of VAT and (or) the exemption from excise taxes, tax deductions (credits) for this tax, and take (make) a decision under the legislation of the member State from the territory of which the goods were exported.

In case of non-provision of the application to the tax authority, the tax authority has a right to take (make) a decision on confirmation of the validity of applying zero rate VAT and (or) the exemption from excise taxes, tax deductions (credits) for such taxes in respect of transactions on the sale of goods exported from the territory of one member State into another member State, upon availability of confirmation in electronic form of the fact of payment of indirect taxes in full (exemption from the payment of indirect taxes) in the tax authority of member State from the tax authority of another member State.

8. If data on the movement of goods and payment of indirect taxes provided by taxpayer does not correspond to the data obtained in the framework of exchange of information, established between the tax authorities of member States, the tax authority shall recover indirect taxes and penalties in the manner and amount provided by the legislation of the member State, from whose territory the goods are exported, as well as apply measures of enforcement of obligations on fulfillment on payment of indirect taxes, penalties and liabilities established by the legislation of this member State.

9. The provisions of this Section in the part of VAT shall also be applied in respect of goods that are the result of work performed under the agreements (contracts) on their production, and being exported from the territory of the member State, on whose territory the works on their production were provided, to another member State territory.

The goods that are the result of the work on processing of provided raw materials supplied by the customer do not refer to the abovementioned goods.

10. The tax base for taxation of goods with excise taxes, that are the result of performing of works under the agreement (contract) on processing of provided raw materials supplied by the customer, is defined as the volume, quantity (other indicators) of excisable goods produced from provided raw material supplied by the customer, in natural value, in respect of which fixed (specific) excise tax rates are established, or as the value of excisable goods produced from provided raw material supplied by the customer, in respect of which ad valorem excise rates are established.

11. The tax base of VAT upon exportation of goods, when it is changed towards increasing (decreasing) because of increase (decrease) of prices of sold goods or decrease of quality (volume) of sold goods in the case of their return because of low quality and (or) packaging, shall be corrected in that tax period, when the parties of agreement (contract) change the price (agree the return conditions) of exported goods, if otherwise is not provided by legislation of member States.

Upon exportation of goods (the leased asset) from the territory of one member State to the territory of another member State under the leasing agreement (contract), prescribing transfer of ownership right on this goods to the lessee, under the agreement (contract) of trade credit (trade loan, loan in the form of things), under the agreement (contract) on the manufacture of goods, the zero rate of VAT and (or) the exemption from excise taxes (if such a transaction is subject to excise taxes in accordance with the legislation of the member State) shall be applied provided documents prescribed under paragraph 4 of this Protocol are submitted to the tax authority.

The tax base for VAT upon exportation from the territory of one member State to the territory of another member State of goods (leased assets) under the leasing agreement (contract) , providing transfer of ownership right on this goods to the lessee, shall be determined at the date provided by the agreement (contract) for each lease payment, in the amount of the initial cost of goods (leased assets), attributable to each lease payment.

Tax deductions (credits) shall be conducted in accordance with the legislation of the member State in part attributable to the cost of goods (leased asset) upon each lease payment .

The tax base for VAT when exporting goods from the territory of one member State to the territory of another member State under the agreement (contract) of trade credit (trade loan, loan in the form of things) shall be the cost of transferred (provided) goods, provided in the agreement (contract), in case of the absence of cost in the agreement (contract) – the cost specified in the shipping documents, in case of absence of the cost in the agreement (contract) and shipping documents - the cost of goods, as reflected in accounting.

12. To ensure completeness of payment of indirect taxes the legislation of member State governing the principles for determining the price for tax purposes can be applied.

III. Procedure for Levying Indirect Taxes upon Importation of Goods

13. Collection of indirect taxes on goods imported to the territory of one of the member States from the territory of another member State, (unless otherwise is provided in paragraph 27 of this Protocol, and (or) placement of imported goods under the customs procedures of free customs zones and free warehouses) shall be carried out by the tax authority of the member State to the territory of which the goods are imported, at the place of registration of tax payers, who are the owners of goods, including taxpayers that apply special tax regimes, including taking into account the specifics provided by paragraphs 13.1-13.5 of this Protocol.

For the purposes of this section, the owner of the goods shall be the person who has the ownership right for the goods or to whom the ownership of the goods is transferred according to an agreement (contract).

13.1. If the goods are bought under the agreement (contract) between the taxpayer of one of the member State and the taxpayer of another member State, payment of indirect

taxes shall be carried out by the taxpayer of the member State, to whose territory these goods were imported, – by the owner of the goods or, if it is provided by the legislation of the member State, by the commission agent, attorney or agent.

13.2. If the goods are bought under the agreement (contract) between the taxpayer of one of the member State and the taxpayer of another member State and these goods are being imported from the territory of a third member State, the indirect taxes shall be paid by the taxpayer of the member State, to whose territory these goods were imported, – by the owner of these goods.

13.3. If the goods are being sold by the taxpayer of one member State through the commission agent, attorney or agent to the taxpayer of another member State and are being imported from the territory of a third member State, payment of indirect taxes shall be carried out by the taxpayer of the member State, to whose territory these goods are imported – by the owner of these goods, or, if it is provided by the legislation member State, by the commission agent, attorney or agent.

13.4. If the taxpayer of one member States purchases goods that were earlier imported to the territory of this member State by the taxpayer of another member State, and indirect taxes for these goods were not paid, payment of indirect taxes shall be carried out by the taxpayer of the member State, to whose territory these goods were imported, – by the owner of these goods, or, if it is provided by the legislation of member State, by the commission agent, attorney or agent (in case these goods will be sold through a commission agent, attorney, agent).

If taxpayer of one member State purchases goods, which were earlier imported to the territory of this member State by commission agent, attorney or agent (taxpayer of this member State) under the agreement (contract) of commission, agency and agent agreement (contract) with taxpayer of other member State, indirect taxes on which have not been paid, payment of indirect taxes shall be carried out by taxpayer of member State, to whose territory the goods were imported by owner of goods or if it is provided by the legislation of member State, by the commission agent, attorney or agent.

13.5. If the goods are being purchased under the agreement (contract) between the taxpayer of one member State and a taxpayer of State, which is not member State of the EAEU, and goods are imported from the territory of another member State, the indirect taxes shall be paid by the taxpayer of the member State, to whose territory these goods were imported, – by the owner of these goods or, if it is provided by the legislation of the member State, by the commission agent, attorney or agent (in case these goods will be sold through a commission agent, attorney, agent).

14. For the purposes of the VAT payment the tax base shall be determined on the date of the registration of imported goods by the taxpayer (but not later than the date which is set by the legislation of member State, in the territory of which these goods are imported) on the basis of the cost of purchased goods (including goods that are the result of the fulfillment of an agreement (the contract) on their manufacture), as well as goods received under an agreement (contract) on commercial loan (commercial loan, loan in the form of things), goods that are the product of processing of raw material supplied by the customer, and excise taxes payable on excisable goods.

The cost of the purchased goods (including goods that are the result of the performing of works under the agreement (the contract) on their manufacture) shall be the cost of transaction that is chargeable by the supplier for goods (works, services) under the terms of an agreement (contract).

The cost of goods received according to an agreement (contract) on exchange of goods (barter) and an agreement (contract) on trade loan (trade loan, loan in the form of things), shall be the cost of the goods provided according to an agreement (contract), if no cost stipulated in the agreement (contract) - the cost specified in the shipping documents, in the absence of the cost stipulated in the agreement (contract) and in shipping documents - the cost of goods, as reflected in accounting.

In order to determine the tax base, cost of goods (including goods which are outcome of performing works under agreement (contract) on their production) expressed in foreign currency shall be calculated in national currency at the exchange rate of national (central) bank of the member State for the date of acceptance of goods for accounting.

The tax base of goods upon importation of raw materials supplied by the customer to the territory of one member State from the territory of another member State shall be determined as a price of performed works on processing of raw materials supplied by the customer and excise taxes to be paid on excisable products of processing. The price of performed works on processing of raw materials supplied by the customer, expressed in foreign currency, shall be calculated in national currency at the exchange rate of national (central) bank of the member State for the date of acceptance of goods for accounting.

15. The tax base upon importation of goods (leased assets) to the territory of one member State from the territory of another member State under the agreement (contract) on leasing, which provides the transition of ownership right for these goods to the lessee, shall be defined as a part of cost of goods (leased assets), provided on the date of its payment by an agreement (contract) on leasing (regardless of the actual size and the date of payment). The lease payment in foreign currency shall be converted into national currency at an exchange rate of the central (national) bank of the member State on the date corresponding to the time (date) of the determination of the tax base.

16. The tax base for excise taxation shall be the volume, quantity (other indicators) of imported excisable goods, including goods which are products of processing of raw materials supplied by the customer in natural value, subject to fixed (specific) excise tax rates, or the cost of imported excisable goods, including the products of processing of raw materials supplied by the customer subject to ad valorem excise rates.

The tax base for calculating excise taxes shall be determined on the date of the registration of imported goods by the taxpayer, including the products of processing of raw materials supplied by the customer (but not later than the date which is set by the legislation of the member State, to whose territory these goods were imported).

17. The sums of indirect taxes subject to the payment on goods imported to the territory of one member State from the territory of another member State, shall be calculated by the taxpayer under the tax rates established by the legislation of member State, to whose territory these goods were imported.

18. To ensure the completeness of the payment of indirect taxes the legislation of member State which governs principles for determining the price for tax purposes can be applied.

19. Indirect taxes, excluding excise taxes on labeled excisable goods, shall be paid not later than the 20-th of the month following the month:

of registration of the imported goods;

of the payment period stipulated by an agreement (contract) on leasing.

Payment of excise taxes on labeled excisable goods shall be carried out in terms established by the legislation of the member State.

20. A taxpayer must submit to the tax authorities an appropriate tax declaration in the form established by the legislation of member State, or in the form approved by the competent authority of the member State, to whose territory goods were imported, including under leasing agreement (contract), not later than the 20-th of the month following the month of the registration of imported goods (the payment period, stipulated by an agreement (contract) for leasing). Along with the tax declaration the taxpayer shall submit to the tax authority the following documents:

1) an application in a hard copy (four copies) and electronic form or an application in electronic form with electronic (electronic digital) signature of taxpayer;

2) bank statement confirming the real payment of indirect taxes on imported goods, or other document confirming the fulfillment of tax obligations for the payment of indirect taxes, if it is provided by the legislation of the member State. If a taxpayer has overpaid (collected) taxes, fees or sums of indirect taxes that are refundable, both upon importation of goods to the territory of one member State from the territory of another member State and upon selling goods (works, services) in the territory of the member State, the tax authority in accordance with the legislation of the member State, to whose territory goods were imported, shall take (make) a decision on their deduction for repayment of indirect taxes on imported goods. In this case, the bank statement (its copy), confirming factual payment of indirect taxes on imported goods, shall not be submitted. Under the agreement (contract) on leasing documents specified in this

subparagraph shall be submitted on the maturity date which is specified in the agreement (contract) on leasing;

3) transport (shipping) and (or) other documents stipulated by the legislation of the member State, confirming the transportation of goods from the territory of one member State to the territory of another member State. These documents shall not be submitted when for certain types of transportation of goods, including the transportation of goods without using of vehicles, preparation of such documents is not provided by the legislation of the member State;

4) invoices drawn up in accordance with the legislation of the member State when shipping goods, if their invoicing (issuance) is provided by the legislation of the member State.

If invoicing (issuance of an invoice) is not provided by the legislation of member State or the goods are purchased from the taxpayer of member State, which is not a member State of the EAEU, other document (documents) issued by the by the seller and confirming the cost of imported goods shall be submitted to the tax authority instead of invoice;

5) agreements (contracts), on the basis of which goods imported to the territory of the member State from the territory of another member State, were purchased; in case of leasing of goods (goods leasing) - leasing agreements (contracts); in case of trade credit (trade loan, the loan in the form of things) - agreements (contracts) for trade loans (commercial loans, the loan in the form of things); agreements (contracts) on the manufacture of goods; agreements (contracts) on the processing of raw material supplied by the customer;

6) information message (in the cases stipulated in paragraphs 13.2-13.5 of this Protocol), submitted to the taxpayer of one member State by the taxpayer of another member State, or by a taxpayer of the country which is not the member State of the EAEU (signed by the head (individual entrepreneur) and duly stamped), selling goods imported from the territory of a third member State, on the following information about the taxpayer of the

third member State and on the agreement (contract) concluded with the taxpayer of that third country on the purchase of imported goods:

the number that identifies the person as a taxpayer of the member State;

full name of the taxpayer (organization/individual entrepreneur) of the member State;

location (residence) of the taxpayer of the member State;

number and date of the agreement (contract);

number and date of specification.

If the taxpayer of the member State, from whom the goods are purchased, is not the owner of these goods (which is a commission agent, attorney, agent), the information specified in paragraphs 2 - 6 of the given subparagraph shall be submitted also with regard to the owner of goods being sold.

If the information message is being submitted in a foreign language the Russian translation shall be required.

Information message shall not be submitted when information specified by the given subparagraph is stipulated by the agreement (contract), referred to in paragraph 5 of the given paragraph;

7) agreements (contracts) on commission or agency agreement (contract) (in cases of its conclusion);

8) agreements (contracts). on the basis of which the goods imported to the territory of the one member State from the territory of another member State, under agreements (contracts) on the commission or under an agency agreement (contract) (in the cases provided by paragraphs 13.2-13.5 of this Protocol, except cases when indirect taxes are paid by the commissioner, attorney or agent) were purchased.

The documents referred to in subparagraphs 2 - 8 of the given paragraph may be submitted in copies certified in accordance with the legislation of the member State or in electronic form in accordance with the procedure provided by the legal acts of tax authorities of member States or by other legal acts of member States. The format of these documents shall be determined by the legal acts of tax authorities of member States or by other normative legal acts of member States.

Under the leasing agreement (contract) upon the first payment of VAT the taxpayer shall submit to the tax authority documents provided in subparagraphs 1 - 8 of the given paragraph. Later, the taxpayer shall submit to the tax authority along with tax declaration documents (its' copies), provided by the subparagraphs 1 and 2 of the given paragraph.

The documents, indicated in this paragraph, except Application and information message, shall not be provided to tax authorities, if their non-submission simultaneously with tax declaration is provided by the legislation of member State, to whose territory the goods are imported.

21. Updated (instead of the previously submitted) application shall be submitted in hard copy (four copies) and in electronic form or in electronic form electronically (digitally) signed by the taxpayer. Along with updated (instead of the previously submitted) application documents provided in subparagraphs 2 - 8 of paragraph 20 of this Protocol shall be submitted, if they were not previously presented to the tax authority .

If submission of updated (instead of the previously submitted) applications does not entail changes to previously submitted tax declaration, the taxpayer does not submit a revised (additional) tax declaration , unless otherwise provided by the legislation of a member State. Submission of such updated applications does not entail recovery of previously accepted VAT sums subject to deduction, paid upon importation of goods.

Updated (instead of the previously submitted) application is not in the cases established by the legislation of a member State .

22. In cases of non-payment, partial payment of indirect taxes on imported goods, the payment of such taxes at a later date than compared with date established by paragraph 19 of this Protocol, as well as in the case of detecting non-submission of tax declarations , their submission in violation of the period established by paragraph 20 of this Protocol or in cases of discrepancy of data specified in the tax declarations with the data obtained through the exchange of information between the tax authorities of the member States, the tax authority shall recover indirect taxes and penalties in the order and amount specified by the legislation of the member State, on whose territory these goods were

imported, as well as apply means for the enforcement of obligations on payment of indirect taxes, penalties and liabilities established by the legislation of the member State.

23. When returning imported goods in the month when they were registered, operations for the importation of these goods shall not be specified in the tax declaration, if the return of the goods was done because of inadequate quality and (or) incomplete set.

Return of goods because of inadequate quality and (or) incomplete set must be confirmed by the claim agreed by the participants of the agreement (contract), as well as by the documents relevant to the perpetuation of operations with such goods. Such documents may include acts of reception and transmission of goods (in the absence of transport of the returned goods), transportation documents (in the case of transport of the returned goods) , acts of destruction or other documents . In the case of a partial return of such goods, specified documents (copies) shall be submitted to the tax authority together with the documents provided in paragraph 20 of this Protocol.

When returning the imported goods due to this reason at the end of the month in which the goods were taken on the account, the taxpayer shall submit to the tax authority the updated (additional) tax declaration and documents (copies) referred to in the second subparagraph of this paragraph.

Documents referred to in the second paragraph of this paragraph may be submitted in electronic form in the manner prescribed by normative legal acts of the tax authorities of the member States or other normative legal acts of the member States. The format of such documents shall be determined by the tax authorities of the member States or other normative legal acts of the member States.

In the case of a partial refund because of inadequate quality and (or) a incomplete set of goods, updated application (instead of the previously submitted) without reporting information about partially returned goods shall be submitted to the tax authority. This application shall be submitted either in hard copy (four copies) and in electronic form or in electronic form, electronic (digitally) signed by the taxpayer.

In the case of a full refund due to inadequate quality and (or) an incomplete set of all goods, details of which were previously included in the previously submitted application , the updated application (instead of the previously submitted) shall not be submitted to the tax authority . Taxpayer shall inform the tax authorities on the details of previously submitted application which reflected the full information on returned goods, in the form and manner established by normative legal acts of tax authorities of member States or other normative legal acts of the member States.

In case of partial or full refund of the goods due to inadequate quality and (or) incomplete set, recovery of VAT previously paid upon the importation of these goods and taken to a deduction is made in the tax period in which the goods are returned, unless otherwise provided by the legislation of member State.

24. By increasing the cost of imported goods in the event of an increase in their prices after the month in which the goods have been accepted by the taxpayer to the account, the tax base for VAT shall be increased by the difference between the modified and the previous cost of the imported goods. VAT payment and submission of tax declarations shall be made not later than the 20th of the month following the month in which the participants of the agreement (contract) changed the price of imported goods .

The difference between the modified and the previous cost of the acquired imported goods shall be reflected in the tax declaration, along with which the taxpayer shall submit the tax authority:

application (reflecting the difference between the modified and the previous cost) in hard copy (four copies) and in electronic form or in electronic form with electronic (electronic and digital) signature of the taxpayer;

agreement (contract) or other document provided by the parties of the agreement (contract), which confirms the increase in the price of imported goods, corrected invoice (if its invoicing (issuance) is provided by the legislation of a member State). These documents may be submitted in copies certified in accordance with the legislation of a member -sState, or in electronic form in accordance with the procedure established by normative legal acts of the tax authorities of the member States or other normative legal

acts of the member States. The format of such documents shall be determined by normative legal acts of the tax authorities of the member States or other normative legal acts of the member States .

25. In the case of using goods, imports of which into the territory of a member State in accordance with its legislation was done without payment of indirect taxes, for purposes other than those, for which an exemption is granted or other order of payment is provided, import of such goods is subject to indirect taxes in order established by this section.

26. The amount of indirect taxes paid (offset) for goods imported into the territory of one member State from the territory of another member State shall be subject to deductions (offsets) in accordance with the legislation of the member State, on whose territory the goods are imported.

27. Collection of excise taxes on goods, which are subject to the marking by excise stamps (accounting control marks, signs) shall be carried out by customs authorities of member States, unless otherwise is stipulated by legislation of member States.

IV. Procedure on Collection of Indirect Taxes while Performing Works and Rendering Services

28. Collection of indirect taxes while performing works, rendering services shall be carried out in the member State, whose territory is recognized as the point of selling of works and services (except work referred to in paragraph 31 of this Protocol).

When performing works, rendering services tax base, rates of indirect taxes, the procedure of tax collection and tax preferences (tax exemption) shall be determined in accordance with the legislation of the member State, whose territory is recognized as the point of selling works and services, unless otherwise is stipulated by this section.

29. The territory of the member State shall be recognized as the point of selling works and services if:

1) works, services are directly connected with immovable property located on the territory of this member State.

The provisions of this subparagraph shall also be applied in respect of rental services, employment and the provision for use of the immovable property on other basis;

2) works, services are directly connected with movable property, vehicles, located in the territory of this member State;

3) services in the sphere of culture, arts, studying (education), natural education, tourism, recreation and sports are provided in the territory of this member State;

4) the taxpayer of this member State purchases:

consulting, legal, accounting, auditing, engineering, advertising, design, marketing services, service for information processing, as well as scientific research, development and technological works;

work, services for the development of computer programs and databases (software and information products of computer technology), their adaptation and modification, maintenance of such programs and databases;

services on staff provision, if the staff works in the place where the purchaser carries out its activities.

The provisions of this subparagraph shall also be applied upon:

transfer, granting, assignment of patents, licenses and other documents certifying the entitlements for industrial property rights, trade marks, trademarks, trade names, service marks, copyrights, related rights or other similar rights protected by the state;

renting, leasing and lending movable property on other grounds, except renting, leasing and lending vehicles on other grounds;

provision of services by a person who is involving another person on his own behalf for the main contracting party of the agreement (contract) or on the behalf of the main contracting party of the agreement (contract) to take part in performing work and rendering services provided by this subparagraph;

5) the work performed, services are provided by the taxpayer of the member State, if otherwise is not stipulated by subparagraphs 1 – 4 of this paragraph.

The provisions of this subparagraph shall also apply when renting, leasing and lending vehicles for other reasons.

30. Documents certifying the point of selling works, services shall be:

agreement (contract) for performing works, rendering services, concluded by taxpayers (payers) of the member States;

documents certifying the fact of performance of works and rendering services;

other documents stipulated by the legislation of the member States.

31. When performing the works on processing of raw materials supplied by the customer, imported to the territory of one member State from the territory of another member State with the subsequent export of refined products to the territory of another state, the procedure of collection VAT and provision of control for their payment shall be carried out in accordance with Section II of this Protocol, unless otherwise is provided by this section. Meanwhile the tax base of VAT shall be defined as the cost of performed work carried out on processing of raw materials supplied by the customer.

32. To confirm the validity of the zero rate of VAT upon selling works, referred in to paragraph 31 of this Protocol, simultaneously with the tax declaration (calculation), the following documents (copies) should be presented to the tax authorities:

- 1) agreement (contract) concluded between taxpayers (payers) of the member States;
- 2) documents certifying the implementation of works and services;
- 3) documents, confirming the export (import) of goods listed in paragraph 31 of this Protocol;
- 4) application (on paper in original or in copy at the discretion of tax authorities of the member States) or list of applications (on paper or in electronic form with electronic (digital) signature of taxpayer);

The list of Applications shall be presented in order, established by subparagraph 3 of the paragraph 4 of this Protocol.

In case of exporting raw materials supplied by the customer outside of the EAEU an application (list of Applications) to tax authority shall not be submitted.

In case of exporting raw materials supplied by the customer from the territory of one member State to the territory of another member State and placing them under the customs procedure of free customs zone or free warehouse in the territory of other member State instead of application (list of applications), a copy of customs declaration certified by customs authority in accordance with which such goods have been placed under the customs procedure of a free customs zone or free warehouse shall be submitted in to tax authority of the first member State,;

5) Customs declaration confirming the export of products of processing of goods made outside the territory of the EAEU;

6) other documents stipulated by the legislation of the member States. Documents provided in subparagraphs 1, 2, 3, 5, 6, the fourth paragraph of subparagraph 4) of this paragraph may be submitted in electronic form in accordance with the procedure established by normative legal acts of the tax authorities of the member States or other normative legal acts of member States. The format of such documents shall be determined by the tax authorities of the member States or other normative legal acts of the member States.

Documents, provided by this paragraph, excluding application (list of applications) shall not be submitted to tax authority, if non-submission of documents confirming the validity of the zero VAT rate together with the tax declaration is stipulated by the law of the member State on whose territory the processing is carried out.

33. If the taxpayer is carrying out several types of works or services, taxation procedure of which is regulated by the this section, and the performance of certain works and services is subsidiary to the performance of other works and services, than the point of sale of subsidiary works and services is recognized as the place of performance of primary works and services.